

# PRESS RELEASE

September 20, 2006

**RE: UNITED STATES v. GRAHAM'S SUBURBAN JEWELRY, INC.  
UNITED STATES v. KARY'S ENTERPRISES INC.  
UNITED STATES v. STEFAN KARY**

United States Attorney Terrance P. Flynn announced today that indictments were returned against KARY'S ENTERPRISES, INC., STEFAN KARY, and GRAHAM'S SUBURBAN JEWELRY, INC, charging them each with conspiracy to defraud the Bureau of Alcohol, Tobacco & Firearms, to unlawfully sell firearms to prohibited persons, and to make false statements on ATF 4473 Forms in violation of Title 18, United States Code, Section 371. This charge carries a maximum possible penalty of a fine of \$500,000 for the corporations and a maximum possible penalty of five (5) years imprisonment, a fine of \$250,000, or both, for STEFAN KARY.

It should be noted that the fact that a defendant has been charged with a crime . . . is merely an accusation and the defendant is presumed innocent until and unless proven guilty. **(Disciplinary Rule 7-107(B)(6)).**

The indictment against GRAHAM'S SUBURBAN JEWELRY, INC, charges the corporation with 9 counts of unlawfully selling firearms to individuals who employees of the defendant knew or

had reason to know were prohibited from receiving or possessing firearms, in violation of Title 18, United States Code, Section 922(d), each count of which carries a maximum penalty of a fine of \$500,000, and with 9 counts of making false statements on ATF 4473 forms, in violation of Title 18, United States Code, Section 924(a)(1)(A), each count of which also carries a maximum penalty of a fine of \$500,000.

The indictment against KARY'S ENTERPRISES, INC. charges the corporation with 8 counts of unlawfully selling firearms to individuals who an employee of the defendant knew or had reason to know were prohibited from receiving or possessing firearms, in violation of Title 18, United States Code, Section 922(d), each count of which carries a maximum penalty of a fine of \$500,000, and with 9 counts of making false statements on ATF 4473 forms, in violation of Title 18, United States Code, Section 924(a)(1)(A) each count of which also carries a maximum penalty of a fine of \$500,000.

The indictment against STEFAN KARY charges the defendant with 1 count of unlawfully selling firearms to an individual who the defendant knew or had reason to know was prohibited from receiving or possessing firearms, in violation of Title 18, United States Code, Section 922(d), which carries a maximum penalty ten (10) years imprisonment, a fine of \$250,000, or both, and with 1 count of making false statements on an ATF 4473 form

in violation of Title 18, United States Code, Section 924(a)(1)(A) which carries a maximum penalty of imprisonment of five (5) years, a fine of \$250,000, or both.

Assistant U.S. Attorney Joel L. Violanti who presented the case to the Grand Jury, stated that, between July 2001 and December 2003, employees of Graham's, while working within the scope of their employment, unlawfully sold firearms to individuals they knew, or had reason to believe, were prohibited from possessing or receiving firearms. With each sale, these employees would falsify a Bureau of Alcohol, Tobacco & Firearms 4473 Firearms Transaction Record Form indicating that the firearms were being sold to non-prohibited persons, when in fact, they knew, or had reason to know, that the firearms were actually being purchased for a prohibited person.

Similarly, with KARY'S, between August 2003 and July 2004, an employee of KARY'S, while working within the scope of his employment, unlawfully sold firearms to individuals he knew, or had reason to know, were prohibited from possessing or receiving firearms. With each sale, the employee would falsify a Bureau of Alcohol, Tobacco & Firearms 4473 Firearms Transaction Record Form indicating that the firearms were being sold to non-prohibited persons, when in fact, he knew, or had reason to know, that the firearms were actually being purchased for a prohibited person.

The indictment was the culmination of an investigation on the part of the Bureau of Alcohol, Tobacco, Firearms & Explosives, under the direction of Resident Agent in Charge David DeJoe.